

Strategic Goals Public Forum – 10/22/2009

Good evening. My name is Gloria Flanagan and I am the Assistant Director of the Alexandria Small Business Development Center, the SBDC.

I am here to talk about small business. As we have seen in Old Town in the last 30 years, on Mt. Vernon Avenue in the last 15 years, and more recently in Cameron Station, small businesses are the backbone of quality redevelopment in Alexandria. Small independent businesses also provide the diversity that is so important to a strong local economy. The City's top Economic Development priority should be strengthening and growing the City's small businesses.

- There's a lot of talk these days about the importance of small business to our economy. That is especially true in the City of Alexandria where 91% of the City's businesses have fewer than 20 employees, and those small businesses generate 55% of the City's gross receipts.
- But those numbers don't focus on the reality that small businesses are also the most vulnerable players in the economy. A mistake that would be a rounding error for large corporations can be catastrophic for small business owners who do not have teams of advisors on staff. They have expertise in their core business but may not have sufficient understanding of complex issues like financial, legal, marketing, technology, and City processes. They are better able to overcome obstacles and focus on growth strategies when there are resources - like the SBDC - to guide them through the rough spots and point them in the right direction.
- When marketing experts talk about increasing revenue, they say that it is less expensive, and more productive, to get additional business from existing customers than to try to attract new customers. That same principle applies to economic development. While encouraging new businesses to relocate to Alexandria is an important piece

of any overall development plan, the City will realize even greater results from nurturing and strengthening its existing small businesses. Our local small business owners are committed to the City of Alexandria – they have already put time and investment into their business. It is important that we “have their back” in challenging times so that they can make it through this economic downturn and come out stronger than ever.

- This is what the SBDC does every day. We counsel small business owners on a one-to-one basis at no charge. In the last year and a half the SBDC has brought in Retail and Restaurant Experts to conduct 6 workshops attended by over 240 Alexandria small business owners. We have another seminar coming up on November 5th called “Driving Sales From the Floor”. We hope that it will assist in providing a robust holiday shopping period this year.
- The SBDC measures the success of its efforts through an economic impact survey sent to clients each year. Our rate of return on this survey is generally between 20 and 30%. The results are shown on the Economic Impact chart which is attached to the written copy of my remarks. This chart, which is based on actual survey results, shows that our clients showed increases in sales of over \$10.5 million in 2008, and over \$73 million since the SBDC was started in 1997.
- Smart economic development should be a balanced strategy, and the City’s team of Economic Development Partners – the AEDP, the ACVA, the Chamber, and the SBDC - provide a balanced and well-coordinated approach. Assistance for local small businesses is the particular focus of the Small Business Development Center. It is important that the City continue to support the SBDC as it supports our local small businesses.



Alexandria SBDC Clients Report Growth

Economic Impact 1997 – 2008

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	Total Since Center Opened
Increased Sales	10,538,636	8,514,472	5,630,000	7,905,764	6,239,775	6,409,362	6,335,749	4,323,090	6,132,392	5,353,557	4,044,084	2,049,546	\$73,476,427
Increased Annual Payroll	1,303,784	2,040,440	1,061,125	2,620,400	1,965,275	1,830,756	2,248,131	1,912,687	3,402,984	2,092,364	Not Measured	Not Measured	\$20,477,946
New Capital Investment	3,701,250	15,832,250	7,319,852	7,627,400	3,754,160	10,499,444	8,338,777	5,689,317	4,003,500	1,523,452	1,401,000	238,902	\$69,929,304
Equity Financing	1,282,250	1,750,750	1,220,852	1,516,900	1,875,060	3,926,700	5,331,677	3,770,000	1,079,500	1,083,452	54,000	16,000	\$22,907,141
Debt Financing	2,419,000	14,081,500	6,099,000	6,110,500	1,879,100	6,572,744	3,007,100	1,919,317	2,924,000	440,000	1,347,000	222,902	\$47,022,163
Jobs Created	153	230	144	115	274	161	209	32	135	178	50	78	1,759
Jobs Retained	91	418	283	433	277	231	259	31	Not Measured	97	14	Not Measured	2,134